



State of Utah

Department of  
Environmental Quality

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DAQ-018-07

## MEMORANDUM

**TO:** Air Quality Board

**THROUGH:** Richard W. Sprott, Executive Secretary

**FROM:** Bill Reiss

**DATE:** March 14, 2007

**SUBJECT:** Final Adoption: Amend R307-210, Stationary Sources; Amend R307-220, Emission Standards: Plan for Designated Facilities and Add New Section IV, Plan for Mercury Emissions at Coal-Fired Electric Generating Units; Add New Rule R307-224, Mercury Emission Standards: Coal-Fired Electric Generating Units; and Add New Rule R307-424, Permits: Mercury Requirements for Electric Generating Units.

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**Background:**

On November 1, 2006 the Utah Air Quality Board released for public comment a Designated Facilities Plan (DFP) and four other proposed rulemaking actions to address mercury emissions at coal-fired Electric Generating Units (EGUs.) Collectively, this suite of rules addresses Utah's participation in EPA's national cap & trade program as outlined in its Clean Air Mercury Rule (CAMR.) It is the primary intent of these rules to see that mercury emissions within the State of Utah are set on a downward trend.

The Plan must demonstrate that, beginning in 2010, mercury emissions from all of the affected EGUs under the State's jurisdiction will be no greater than the mercury emission budgets allocated to Utah under the CAMR. Beyond the cap & trade program, R307-424 includes state-only provisions establishing minimum performance criteria for existing EGUs, and requires offset for potential increases in mercury emissions.

**Today's Proposal:**

The Division of Air Quality (DAQ) received both written and oral comments on the proposal, and has prepared a summary of all those comments along with the responses to each. This summary has been included as Attachment 1. It explains all of the revisions recommended in today's proposed final rulemakings.

Attachments 2 through 6 cover the four separate rules as well as the Designated Facilities Plan. Any revisions to the original proposal are indicated in the appropriate attachment.

To help the reader understand how these rules work together, a brief description of each is provided below:

R307-224 "Mercury Emission Standards: Coal-Fired Electric Generating Units" In this rule, Utah is proposing to incorporate by reference much of EPA's model rule which establishes a cap and trade program to ensure that mercury emissions from EGUs will remain in compliance with the emission budgets established for the State of Utah. Some parts of the model rule have specifically not been incorporated by reference. See Attachment 2 for today's proposal.

"Designated Facilities Plan for Mercury (Hg) Emissions at Coal Fired Electric Generating Units" This DFP is required under 40 CFR 60.24 to address mercury emissions at qualifying coal-fired electric generating units that were in existence prior to EPA's new regulations under the New Source Performance Standards. Those parts of the model rule that have specifically not been incorporated by reference in R307-224 are addressed here in the DFP. See Attachment 3 for today's proposal.

R307-220 "Emission Standards: Plan for Designated Facilities" In this rule, Utah incorporates by reference the entirety of its Designated Facilities Plan. Aside from a new "Section IV, Coal-Fired Electric Generating Units", which is to be incorporated at R307-220-5, the DFP also includes previously promulgated sections covering: Municipal Solid Waste Landfills (Section I), Hospital, Medical, Infectious Waste Incinerators (Section II), and Small Municipal Waste Combustion Units (Section III). See Attachment 4 for today's proposal.

R307-210 "Stationary Sources" In this rule, Utah incorporates by reference most of 40 CFR 60, Standards of Performance for New Stationary Sources. Much of EPA's federal rulemaking with regard to mercury emissions from EGUs appears in part 60, and not all of it is contained in the Model Rule (which is subpart HHHH.) Subpart HHHH is specifically not incorporated by R307-210. See Attachment 5 for today's proposal.

R307-424 "Permits: Mercury Requirements for Electric Generating Units" In this rule, Utah seeks to establish state-wide requirements for mercury emissions at coal-fired electric generating units. As proposed, the rule contains two distinct provisions: 1) a requirement that any existing EGU exceeding 1,500 MMbtu/hr (heat input capacity) meet certain emission rates or control efficiencies, and 2) an offset requirement for permitting increases in mercury emissions. See Attachment 6 for today's proposal.

Staff Recommendation: Staff recommends that the Utah Air Quality Board adopt Utah's Designated Facilities Plan to address mercury emissions at coal-fired electric generating units, R307-220, and R307-424 with the amendments displayed in the attachment. UDAQ staff also recommends that the Board adopt R307-210 and R307-224 as proposed at the November Board meeting.